



Department of  
Primary Industries

# NEW SOUTH WALES COMMERCIAL FISHERIES BUSINESS ADJUSTMENT PROGRAM

## Things you need to know

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# Adjustment Subsidy Program and key dates

The first stage of the Adjustment Subsidy Program included fishing business buyouts, training sessions and a preview share trading market. This first stage allowed fishers to apply for a fishing business buyout if they wished to exit the industry or consolidate their current shareholding. Fishers were also able to learn how to use the share trading program and participate in a preview market.

The second stage is a subsidised share trading market which will facilitate the trading of shares. The market program will anonymously match bids to buy and offers to sell shares placed by commercial fishers who want to trade shares in each share class. A Government subsidy will be paid to 'active' fishers who bid to buy shares to support them in continuing their current operations.

## Key dates

### 30 January 2017

- » Rural Assistance Authority loan applications close
- » Fishing business buyout applications close
- » Share transfer applications close (for those participating in the subsidised share trading market)
- » Registrations open for the subsidised share trading market

### 10 February 2017

- » Catch record review submissions close

### 27 March 2017

- » Registrations close for the subsidised share trading market

### 1 May 2017

- » Subsidised share trading market opens

# Assistance measures

A range of assistance measures are available to support industry through this transition process.

## Fishing business buyout

As part of the Adjustment Subsidy Program, fixed payments of up to \$20,000 are available for fishing business buyouts.

This gives business owners options to consolidate or sell all their shares from a fishing business and then cancel the fishing business.

Payments of \$20,000 are also available to fishing business owners who wish to transfer for cancellation their Southern Fish Trawl endorsement, as part of a fishing business buyout.

## Low interest rate loans

Commercial fishers who want to purchase more shares to build their fishing business have been able to apply for a loan of up to \$80,000 at a fixed interest rate of 2.5% over a maximum of 12 years with a two year interest free period. The low interest rate loan is only provided as a 'line of credit' and can only be used in the in the Adjustment Subsidy Program.

Fishers who currently lease and work a fishing business, and want to become a shareholder, were also able to apply for a loan.

Loans will assist eligible fishing business owners to acquire the shares they may need or want to fit the new linkage arrangements.

## Professional advice grants

### Financial Advice grant

A payment of up to \$1,000 is available for shareholders in a share management fishery or eligible nominated fishers to access independent financial advice through an accountant or financial adviser to inform future business planning.

### Legal advice and/or share trading support grant

A payment of up to \$1,000 is available for assistance relating to the share trading market including legal advice on the participation deed and/or to appoint a professional to act as an agent to place bids and offers on the behalf of participating fishers.

For more information on grants or loans visit [www.raa.nsw.gov.au](http://www.raa.nsw.gov.au)

## Retraining assistance

A grant of up to \$10,000 is available to assist fishers exiting the industry with retraining expenses for vocational training with a registered training organisation.

This assistance will cover things such as course fees, travel to and from course locations, meals and accommodation during course attendance.

## Cap on management fees

The NSW Government will delay increases to management fees for fishers until July 2018. After that, any increase in the total revenue collected from commercial fishing management charges will be capped at no more than 6%\* per year for a five-year period. This will give fishers more certainty through the transition process.

The current waiver of share transfer fees will also remain until after the ASP is completed.

\*above CPI.

## Community awareness campaign

The NSW Government will partner with industry to boost awareness for the NSW commercial fishing industry. Over the next two years the NSW Government will provide \$400,000 to fund the implementation of programs to build community support for the NSW fishing industry and improving local seafood demand.

This will help build a strong and valued reputation for a viable and productive commercial fishing industry in NSW.

# Assistance measures CONTINUED

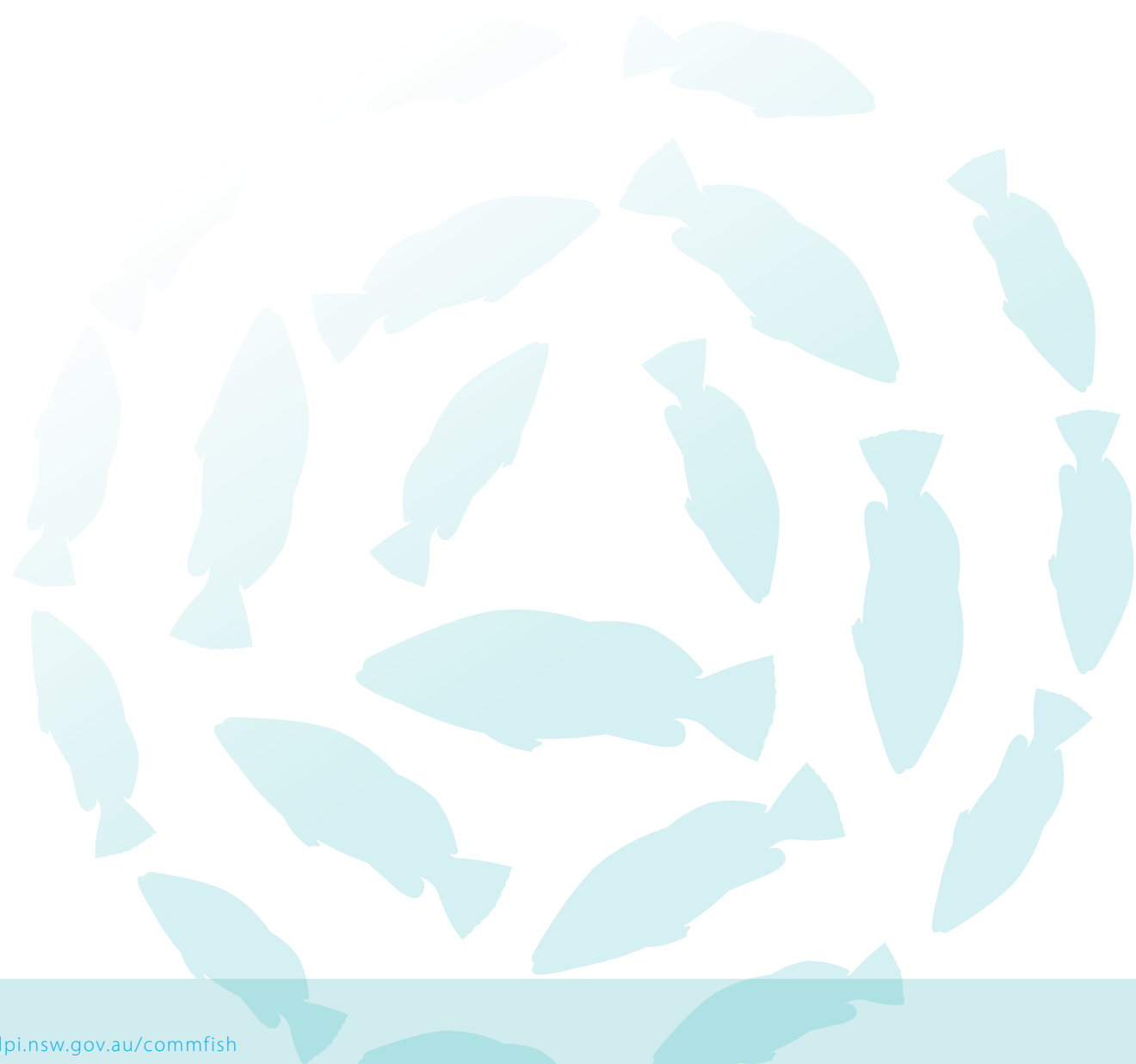
## Assistance for fishing cooperatives

Some fishing cooperatives may experience a change in membership as a result of the implementation of the BAP.

A one-off payment of up to \$30,000 is available for fishing cooperatives to help with the cost of obtaining specialist advice on how they may adjust their business depending on what their members choose to do through the BAP.

For fishing cooperatives located on Crown land, a standard long-term lease will be made available to help long-term business planning, and options for rent subsidies will be explored.

There is also ongoing assistance for fishing cooperatives and the fishing industry generally through significant investment in major port infrastructure.



# Business activity and catch records

## Business activity

Your business activity statement lists your business/es, and shares you hold which are considered 'active' or 'inactive' in each share class.

If during the fishing business buyouts a shareholder transfers all shares of a particular class from a fishing business that is then cancelled, the new shareholder will receive the 'activity status' that would have been attributed to that share class under the cancelled business. Activity statements will not include pending share transfer applications.

## Catch records

In line with the new share linkage arrangements, shares in all share classes will be linked to catch and effort. To support the new linkage arrangements, a shareholder's share deficit (or shortfall) in a relevant share class will be calculated in preparation for the subsidised share trading market.

Share deficits will be calculated based on the shareholder's largest recorded annual catch or effort submitted during the period starting 1 May 2011 to 30 April 2016.

For shareholders who are considered 'active' in affected share classes, the recorded catch or effort from that business per twelve month period starting 1 May 2011 has been provided in this pack to ensure our records are accurate before the share deficits are calculated.

**If relevant to you, please review your catch record statement and advise if you believe our records are incorrect. If this is the case, you may need to re-supply catch records submitted during the relevant period.**

Please note, if you purchased your fishing business between 1 May 2011 and 30 April 2016 your share deficit will be calculated based on your largest catch or effort reported in that period.

Business activity and catch record statements will be provided to all shareholders before the subsidised share trading market opens.

## Administrative review of catch record totals

If you disagree with the largest annual catch or effort provided for your fishing business, you may apply for an administrative review. An administrative review will only be undertaken:

- » if a written request detailing the fishing business number, log sheet numbers, event dates, annual total and the share class to be reviewed is submitted,
- » to review evidence of mandatory catch records received by the Department of Primary Industries (DPI) by 31 May 2016,
- » where the original records received by the Director-General were in the approved form and manner in accordance with sections 121 & 122 of the *Fisheries Management Act 1994* and did not indicate unlawful fishing activity,
- » for the purpose of determining share deficits for the Adjustment Subsidy Program (subsidised share trading market).

## Submitting an administrative review request

Requests for an administrative review should be submitted (preferably by email) by the closing date and be accompanied by the relevant supporting information.

Please send review requests to Catch Records via email to [catch.records@dpi.nsw.gov.au](mailto:catch.records@dpi.nsw.gov.au) or post to PO Box 4157, Coffs Harbour Jetty, NSW 2450.

The closing date to request a review is **10 February 2017**.

# Appointing an agent

## Shareholders can appoint an agent to act on their behalf in the subsidised share trading market.

An agent may be appointed if:

- » a shareholder does not use computers regularly and would prefer to appoint someone to place their bids and/or offers on their behalf
- » a shareholder is not available to participate during the market period dates.

An agent **must** be appointed if:

- » a fishing business has multiple owners in partnership. One owner can act as an agent, or an independent professional can be appointed to act on behalf of the business
- » a fishing business is owned by a company. One director can act as the agent, or an independent professional can be appointed to act on behalf of the business.

It is important that all participants and their agents in the subsidised share trading market keep bids/offers confidential. Confidentiality is especially important if an agent is appointed to act on a shareholder's behalf.

## An agent can be appointed by a shareholder through the registration process.

### Who can fishers appoint to act as their agent?

To protect the confidentiality of bids/offers, only the following people are eligible to act as an agent:

- » Where a fishing business is held in partnership, one of the partners can be appointed with the consent and authority of the other partner/s
- » Where a fishing business is held by a company, an officer or shareholder of the company can be appointed with the consent and authority of the company
- » If a fisher, a partnership or a company would prefer to appoint someone else as agent, this person can be:
  - › a solicitor or barrister registered to practise in NSW
  - › an accountant who is a member of the Institute of Public Accountants, CPA Australia or Chartered Accountants Australia and New Zealand
  - › a financial adviser who holds an Australian financial services licence (AFS)

- › a licensed stock and station agent or business agent under the *Property, Stock and Business Agents Act 2002*
- › any other person, as long as they are only acting for one entity (an entity is one person, partnership or company that owns one or more fishing businesses).

### Can an agent act on behalf of multiple shareholders?

Solicitors, barristers, accountants, financial advisers, business agents and stock and station agents as listed above, can be appointed to act for more than one entity that owns a fishing business because they are bound by law to act confidentially and in the best interests of each of their clients.

If the agent is not one of the professionals listed above, they can be appointed as an agent for only one shareholder, partnership or company.

A fishing co-operative or professional fishing association may be appointed to act as agent for only one entity that owns a fishing business. A fishing co-operative or professional fishing association may come to an arrangement with a solicitor, barrister, accountant, financial adviser, business agent or stock and station agent to act on behalf of a number of their members.

### Can different agents be appointed to act on behalf of different fishing businesses owned by a partnership or company?

No, only one agent can be appointed for an entity that owns multiple fishing businesses.

### What assistance is available?

Up to \$1,000 is available for shareholders to engage a professional to review the legal document (participation deed) required to participate in the subsidised share trading market, and/or appoint a professional person to act on their behalf during the subsidised share trading market.


Please review Assistance Measures section of this booklet for more information on Professional Advice Grants.



# How to trade shares

## Step-by-step guide

This step-by-step guide has been created to help you understand the options you will have when using the online share trading program. You will be able to bid to buy shares or offer to sell shares within individual components of your business, or place a 'package offer' which will be an offer to sell all components of your fishing business.


Commercial Fisheries Share Trading Market
1300 726 488  
Business Adjustment Program  
information hotline

**Welcome John Smith**  
Your last login was at 25/08/2016 11:06 AM

**Round 1** Ends 05:30 PM Wednesday 19 October

### Buy or sell specific components

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FB 4001 - SMITH, John

Share holdings with no buy bids or sell offers

Share class	Holding	
Estuary General Mud Crab Trapping Region 4	125	<input type="button" value="Buy"/> <input type="button" value="Sell"/>

**Buy**

Share class	Buy Cap	Holding	Min No.	Max No.	Unit Price	
Estuary General Meshing Region 4		125	50	150	10	<input type="button" value="Remove"/>
<b>Maximum total to pay if all bids are successful</b>					<b>\$ 1,500</b>	

**Sell**

Share class	Holding	Units	Unit Price	
Ocean Hauling General Ocean Hauling Region 4	250	100	10	<input type="button" value="Remove"/>
<b>Minimum total to receive if all sell offers are successful</b>			<b>\$ 1,000</b>	

# How to trade shares

**Buy or sell specific components**

FB 4001 - SMITH, John

Share holdings with no buy bids or sell offers

Share class	Holding	Buy	Sell
Estuary General Mud Crab Trapping Region 4	125	Buy	Sell

**Buy**

Share class	Buy Cap	Holding	Min No.	Max No.	Unit Price	Remove
Estuary General Meshing Region 4	9999	125	50	150	10	Remove
Maximum total to pay if all bids are successful			\$ 1,500			

**Sell**

Share class	Holding	Units	Unit Price	Remove
Ocean Hauling General Ocean Hauling Region 4	250	100	10	Remove
Minimum total to receive if all sell offers are successful		\$ 1,000		

Confirm bid Cancel/back

**Buy or sell specific components**

FB 4001 - SMITH, John

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FB 4001 - SMITH, John

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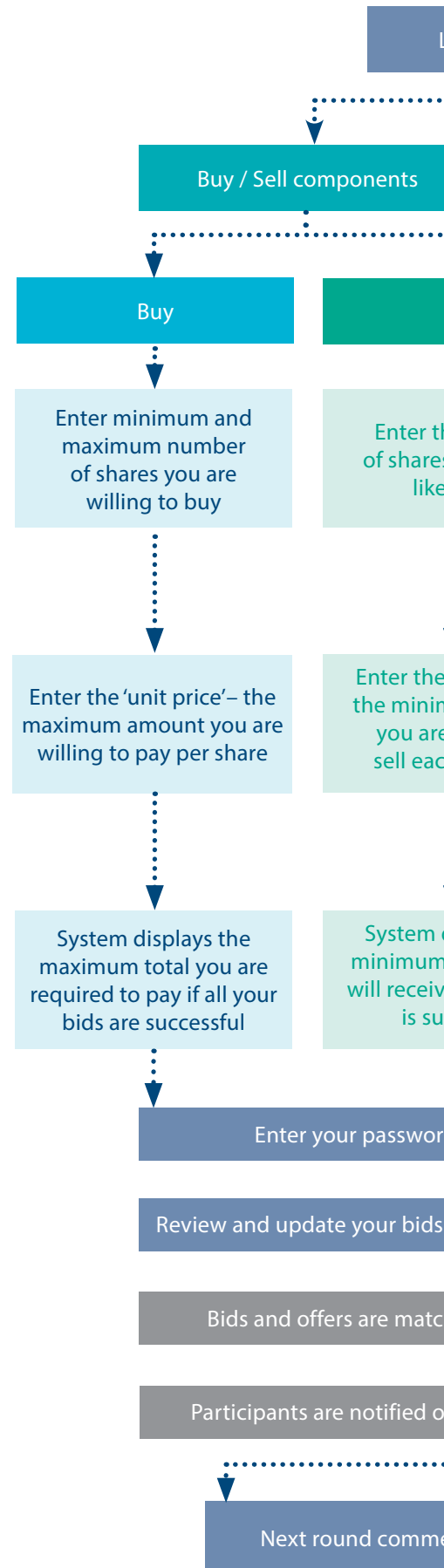
**Buy**

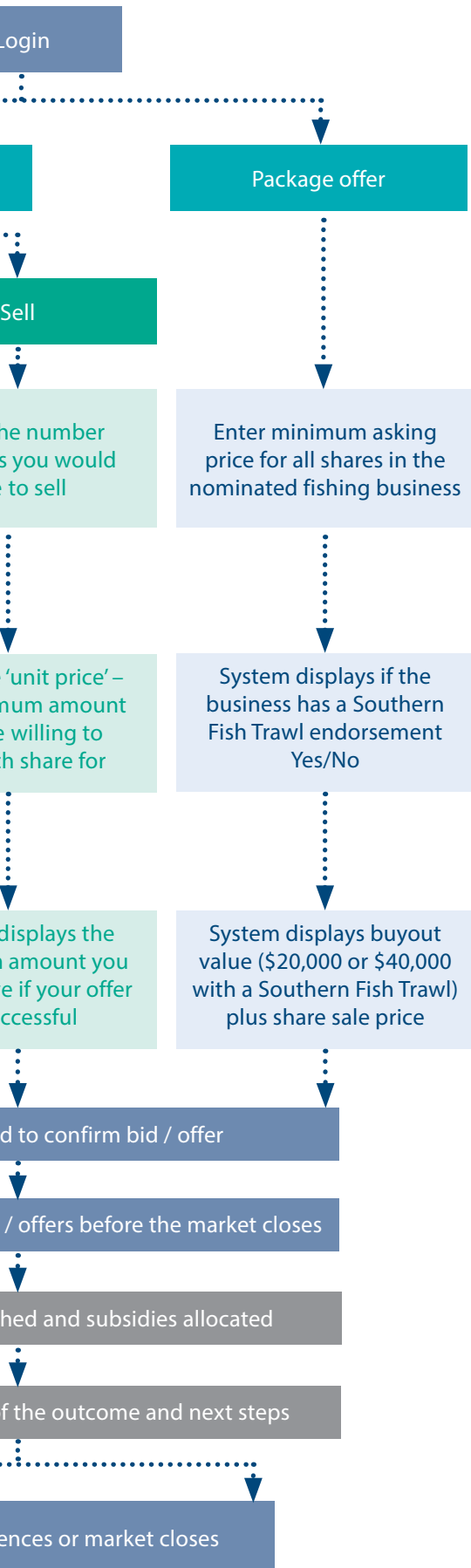
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Maximum total to pay if all bids are successful			\$ 1,500			

**Sell**

Share class	Holding	Units	Unit Price	Remove
Ocean Hauling General Ocean Hauling Region 4	250	100	10	Remove
Minimum total to receive if all sell offers are successful		\$ 1,000		

Confirm bid Cancel/back





**Package offer**  
Dispose of all components and cancel fishing business.

FB 4000 - SMITH, John

**Bid details**

Minimum ask price for all share holdings	\$ 10000
Southern Fish Trawl Endorsement*	No
Fishing Business*	Yes \$ 20,000

at least  
**\$ 30,000**  
Total to be received (if package offer is successful)

\*Note: This payment will only be available if the package offer is successful in the market, ie. all shares are sold allowing the Fishing Business (and any Southern Fish Trawl endorsement) to be cancelled. If the offer is unsuccessful, no payment will be available.

Confirm bid  Cancel/back

**Share holdings**

Share class	Holding	Sell
Estuary General Handline and Hauling Crew Region 4	250	250
Estuary General Category One Hauling Region 4	125	125

**Package offer**  
Dispose of all components and cancel fishing business.

FB 4000 - SMITH, John

**Bid details**

Minimum ask price for all share holdings	\$ 10000
Southern Fish Trawl Endorsement*	No
Fishing Business*	Yes \$ 20,000

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Confirm bid  Cancel/back

**Share holdings**

Share class	Holding	Sell
Estuary General Handline and Hauling Crew Region 4	250	250
Estuary General Category One Hauling Region 4	125	125

**Package offer**  
Dispose of all components and cancel fishing business.

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Confirm bid  Cancel/back

**Share holdings**

Share class	Holding	Sell
Estuary General Handline and Hauling Crew Region 4	250	250
Estuary General Category One Hauling Region 4	125	125

# Market rules and participation deed

## Purpose of the market rules and participation deed

- » To list the objectives of the Commercial Fisheries Business Adjustment Program's share trading market, and include the share trading rules to make clear the basis on which DPI will make decisions
- » Define who is eligible to participate in the share trading market
- » Explain how the share trading market will operate
- » Explain the obligations of buyers, sellers and DPI
- » Create safeguards to ensure that buyers, sellers and DPI are legally protected.

### For buyers

- » Create a mechanism to ensure that bids to buy shares that are successful, will result in the successful bidders owning the shares
- » For successful bids, confirm when the shares must be paid for.

### For sellers

- » Create a mechanism to ensure that offers to sell shares that are successful, will result in the successful seller being paid for the shares
- » For successful offers, confirm when the seller will receive payments
- » Confirm in what circumstances DPI is required to make extra payments to participants.

By signing the participation deed, you agree to be bound by the participation deed and the Share Trading Market Rules. You will gain the protections contained in those documents and agree to meet your obligations to ensure the other parties are protected.

**For this reason, if you do not sign the participation deed, you cannot participate in the share trading market.**

## Market rules

The market will prioritise bids to buy shares and the allocation of subsidy based on the following, in order:

1. Bids to buy shares placed by 'active' businesses in a share class, with a share shortfall.
2. Bids to buy shares placed by 'active' businesses in a share class, without a share shortfall.
3. To 'match' as many package offers as possible.

Following this, bids to buy shares placed by 'inactive' businesses will be matched. Only active businesses will receive a subsidy.

## Share deficit (share shortfall)

A share deficit or shortfall exists when the owner of an 'active' fishing business may need to acquire more shares (under the new share linkage arrangements) to continue fishing at their current level.

For share classes which are moving to catch or effort quotas, share deficits will be calculated as the additional shares an 'active' business may need to acquire in that share class to fish at a level equivalent to their highest reported twelve month (May to April) catch in the period 1 May 2011 to 30 April 2016. (These dates align with the timeframe used to determine business 'activity'.)

For example, the new minimum shareholding for Ocean Trap and Line – Line West is 60. If a fisher currently holds 50 Ocean Trap and Line – Line West shares, they will have a share deficit of ten shares.

For share classes going to an Independent Allocation Panel process, share deficits cannot be determined.

## Share caps

In most share classes, share caps will be placed on the number of shares that can be purchased in the market by any one business, to ensure an equitable distribution of successful buy bids.

Share caps will be calculated as follows:

- » For share classes that have a new, increased minimum shareholding the share cap will be the difference between the original minimum shareholding, and the new minimum shareholding
- » Share classes going to an Interim Total Commercial Access Levels (ITCAL) or quota arrangement will have their share cap set as the largest deficit (rounded up to the nearest five) held by any business registered for the share trading market in that share class.

Share classes going to an Independent Allocation Panel or that have no new share linkage arrangements, will not be subject to a share cap.

## What information are we collecting?

Bids and offers that are made during the subsidised share trading market will be collected and stored in a secure database managed by an independent company.

This data will include the price and quantity of shares for each bid or offer, as well as whether the business making the bid or offer is active or inactive in the share class, and whether it has a share deficit.

## Money owed to the Department

Repayments of management charges, contributions and other amounts owed by industry to the Department will only be collected from those shareholders exiting the industry who obtain a buyout payment.

## What will we do with the information?

The independent experts who have developed the market software will use the data to match bids and offers, determine the market price in each share class and allocate subsidy.

No personal bid information or results will be published by DPI. After each round, participants will be able to log into the market website to review the outcomes of the round, including whether their individual bids and offers were matched in that round.

Summary results, such as the market price for each share class, will be published on the DPI website.

The independent experts may use the combined data to recommend minor adjustments to the market rules or the algorithm, if necessary, to better meet the market principles.

No individual bid/offer information or individual results will be published by DPI.

## How long will we keep the information?

DPI retains information like this for seven years in accordance with the *State Records Act 1998*.

# How to interpret market outcomes

## Market overview

- » Each round of the market will be open for seven days. Participants can adjust their bids/offers as often as they like during this period before the round closes
- » Approximately one week after a round closes, participants will be advised whether the round was successful or whether additional rounds are required (up to a total of three rounds)
- » A round of the market will be considered successful if a large proportion of bids to buy shares are matched with offers to sell at compatible prices, in a way that significantly reduces share deficits (shortfalls) of active businesses. If this is the case, no subsequent rounds will be held. This decision will be made by the Director General on the recommendation of an evaluation panel that includes several members independent of DPI
- » 'Matched' bids/offers from the successful round are binding; there is no 'cooling off' period
- » The price of shares, the success (or otherwise) of bids and offers and the subsidy allocated may change from one round of the market to the next, depending on the bids/offers submitted in that round
- » There is no guarantee a bid/offer 'matched' in round one will be 'matched' in subsequent rounds

For example:

1. A bid to buy could be 'matched' in round one
  2. The price of shares in that share class could increase or decrease in round two if other participants update their bids/offers, which could change the outcome of round two
  3. The same situation could occur between rounds two and three
- » Participants are encouraged to submit bids to buy at the highest price they are willing to pay per share, and offers to sell at the lowest price they are willing to accept per share. Buyers may end up paying less and sellers may end up receiving more, but everyone within a share class will pay or receive the same amount (apart from 'active' buyers, who will all pay the same subsidised price)

- » Prices, share allocations and subsidies are only final once the Director General decides that the round was successful and the market can be closed.

## How to interpret the outcome of each round

Following a round, participants will be able to log in to the website to see if their bids/offers were 'matched' in the previous round.

## The round outcomes will show:

- » Bids/offers submitted in each share class
- » Bids/offer matched, and in the case of buy bids, the number of shares matched (for sell offers, either all or no shares will be matched)
- » The price per share the market determined for each share class where at least some bids and offers were successfully matched
- » The total you would owe or be owed, if the round had been successful and the market closed
- » Other share classes you own shares in but for which you did not submit a bid to buy or offer to sell shares.

## Please remember:

- » 'Matched' bids/offers, prices and subsidies are not final until a round is declared successful and the market is closed
- » Share prices can change between rounds of the market. There is no guarantee a bid/offer 'matched' in round one will be 'matched' in subsequent rounds.

## The evaluation panel

The evaluation panel is a committee established by the Department (DPI), consisting of representatives from DPI, NSW Treasury, NSW Department of Premier and Cabinet and the Independent Pricing and Regulatory Tribunal, for the purpose of evaluating completed rounds of share trading and making recommendations to the Director General (DG) of DPI regarding the results.

The probity consultant for the Adjustment Subsidy Program will provide independent oversight of evaluation meetings.

# Frequently asked questions

## What is the subsidised share trading market?

The subsidised share trading market is a facility to anonymously match commercial fishers who want to sell or buy shares in each share class. It will apply the available subsidy funding to help active fishers acquire additional shares in preparation for the share linkages which commences from **December 2017**.

## What assistance is available?

- » Professional advice grants
  - › Financial advice grant (up to \$1,000) for independent financial advice
  - › Assistance for legal advice and/or share trading (up to \$1,000) to engage a professional to assist with reviewing the participation deed, and/or act on a shareholder's or business' behalf during the subsidised share trading market.
- » Low interest loans (up to \$80,000) to help shareholders purchase additional shares.
- » Fishing business buyouts (\$20,000) if you prefer to transfer or surrender all shares and cancel a fishing business with an additional \$20,000 paid if a Southern Fish Trawl endorsement is also cancelled.
- » Assistance for cooperatives (\$30,000) to pay for specialist advice on how to adjust their business depending on what members choose to do, as well as a two-year rent waiver for cooperatives located on Crown land.

Applications for low interest loans and Fishing business buyouts closed on **30 January 2017**.

Please see Assistance measures section of this booklet for more information.

## I don't use a computer regularly, is there help available?

Yes. Shareholders can appoint an agent to act on their behalf to place their bids and/or offers for shares during the subsidised share trading market. A \$1,000 grant is available to support shareholders who wish to appoint a professional agent. See Assistance measures for more information.

## What shares will be available in the subsidised share trading market?

As in any market, the availability of shares will depend on the number of shareholders who decide to sell. Active fishers in each share class will receive priority access to shares of that class.

## Will shares I buy in the share trading market be subsidised?

'Active' fishers in each share class will be given priority access to available shares, and will also have the purchase price subsidised by the Government.

To be considered 'active' a business must have reported fishing activity in a share class over the last five years, from May 2011 to April 2016 inclusive, or acquired, as part of the FB buyout process, all shares held by another 'active' business in a share class. These assessments will be based on mandatory catch records received by DPI before **31 May 2016**.

## How much will shares cost in the subsidised share trading market?

The price of shares will be determined by the bids to buy, and offers to sell submitted by shareholders. These are likely to differ from one share class to another, reflecting the fact that different activities have different values. All sellers in a share class will receive the same sale price for their shares sold. All 'active' buyers in a share class will pay the same subsidised price for shares, and inactive buyers will pay the sale price.

An independent group of experts from the University of New South Wales and the Technical University of Munich have developed the market software which will electronically and anonymously match bids and offers in each share class, and determine uniform prices for buyers and sellers. It will also find the best possible allocation of the available subsidy across all share classes.

## How do I register for the subsidised share trading program?

Shareholders can register using the registration form provided in this registration pack.

Shareholders must return the completed participation deed with their registration form.

Registration documents must be received by **27 March 2017**.

# Frequently asked questions CONTINUED

## When do registrations close for the subsidised share trading market?

Registrations for the subsidised share trading market close **27 March 2017**. Registrations forms must be received by this date.

## When does the subsidised share trading market open?

Round 1 of the subsidised share trading market will open **1 May 2017**.

## How long will the subsidised share trading market be open?

Round 1 of the market will be open for seven days, after which there will be a week for the market program to match bids and offers and for these results to be reviewed by the evaluation panel. Participants will then be advised if the round has been successful, or if subsequent rounds of share trading are required (up to a maximum of three rounds).

## Why would I appoint an agent?

An agent may be appointed if a shareholder does not use computers regularly and would prefer to appoint someone to place their bids/offers on their behalf, or a shareholder is not available to participate during the market period dates.

An agent **must** be appointed if a fishing business has multiple owners or if the owner is a company, in which case one owner or one director can act as the agent or a professional can be appointed to act on behalf of the business.

## If my bid is matched in one round, am I guaranteed the same result if there is another round?

No. Results, prices, share availability and subsidy amounts could change significantly from one round to the next depending on the revised bids and offers submitted by participants.

The best approach whether bidding to buy or offering to sell shares, is to always submit your 'best offer', based on the value of the shares to your business and if buying, your capacity to pay.

## How can I increase my chance of success when bidding to buy shares?

When placing a bid to buy shares, bids that include a range with a minimum and maximum number of shares

will have a higher chance of being 'matched' rather than bids that state a set number. Offers to sell shares will be for a set number of shares, so if a bid includes a range, it will be easier for the software to 'match' the bid with an offer.

## Can I place bids/offers using my mobile phone?

Yes, but we do not recommend bids and/or offers for shares during the subsidised share trading market be placed using a mobile phone. The share trading market program has been designed for computer or tablet screens.

## Do I have to place a bid or offer in round one?

Fishing businesses must place at least one bid or offer in each round to be included in any subsequent rounds of share trading. If at least one bid or offer is not placed before a round closes, the participant will not be able to place any bids or offers for that fishing business in any subsequent rounds of share trading that may be held.

E.g. To participate in round two, a shareholder must place at least one bid or offer in round one, and to participate in round three, a shareholder must place at least one bid or offer in round two.

## Will I pay GST on shares traded in the subsidised share trading market?

The Department will operate the subsidised share trading market to make it easier for fishers to buy and sell shares by providing a mechanism to match buyers with sellers. The subsidised share trading market is set up so that the identity of buyers and sellers is not disclosed. To ensure anonymity, the Rural Assistance Authority will process payments for the Department and will issue tax invoices and Recipient Created Tax Invoices for shares bought and sold on the subsidised share trading market.

The subsidised share trading market will not change how the sale of shares is treated for tax purposes. If you would be liable to pay GST to the ATO if you sold the shares off-market, you will be liable to pay GST to the ATO on the shares you sell in the subsidised share trading market. The tax invoices and recipient created tax invoices issued by the Rural Assistance Authority will allow sellers to calculate their liability to pay GST, and buyers to calculate their entitlement to receive an income tax credit for the GST.

Any subsidy paid by the Department to the seller will form part of the price.

You should seek your own financial and taxation advice.



## Glossary

### *'Active' business within a share class –*

A fishing business that has reported at least 1kg of catch in that shareclass in the last five years, from May 2011 to April 2016 inclusive (based on mandatory catch records received by DPI before 31 May 2016).

### *'Inactive' business within a share class –*

A fishing business that has reported less than 1kg of catch in that shareclass in the last five years, from May 2011 to April 2016 inclusive.

### *Share deficit –*

For share classes with a new minimum shareholding, the difference between a business' current shareholding and the new minimum shareholding.

For share classes which are moving to catch or effort quotas, the difference between a business' current shareholding and the number of shares that would be required to fish at a level equivalent to their highest reported twelve month (May to April) catch in the period 1 May 2011 to 30 April 2016.

For example, the new minimum shareholding for Ocean Trap and Line – Line West is 60. If a fisher currently holds 50 Ocean Trap and Line – Line West shares, they will have a share deficit of ten shares.

For share classes going to an Independent Allocation Panel process, share deficits cannot be determined.

### *Matched bid/offer –*

A buy bid/sell offer that has been successfully matched to a corresponding sell offer/buy bid.

### *Package offer –*

An offer to sell all shareholdings of a fishing business for a single total price; if successful the owner receives a \$20,000 buyout payment in addition to the value of the shares (and an additional \$20,000 if a Southern Fish Trawl endorsement is also cancelled).



## Support is available to help fishers through this important industry transition

**1300 726 488**

For information about share class linkages and the Adjustment Subsidy Program, including fishing business buyouts, please call the Commercial Fisheries Business Adjustment Program Hotline.

**1800 678 593**

For information about financial assistance in the form of low interest rate loans, retraining assistance and grants for professional advice call the Rural Assistance Authority.

**1800 686 175**

Rural Financial Counsellors are available free of charge.

[dpi.nsw.gov.au/commfish](http://dpi.nsw.gov.au/commfish)